TREASURY BOARD SECRETARIAT

FOR USE BY WRITERS OF
REGULATORY IMPACT ANALYSIS STATEMENTS

RIAS
WRITER'S GUIDE

PREPARED BY
CONSULTING AND AUDIT CANADA
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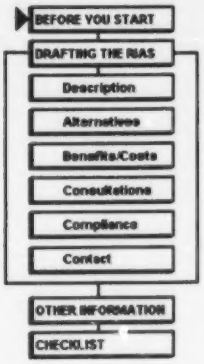

BEFORE YOU START

QUICK REFERENCE:

The RIAS Writers' Checklist on page 53 highlights all the information about each of the six parts of the RIAS.

The Table of Contents lists good examples of the various sections of the RIAS.

Following each example is a discussion of the strengths of the example.

Your departmental regulatory coordinator can guide you on the steps you need to take in preparing regulations. His or her name and phone number is available from TBS Regulatory Affairs at (613) 952-3459.

Purpose of this guide

This guide is designed to help departments meet the objectives of the Regulatory policy by improving the quality of the Regulatory Impact Analysis Statements (RIASes) prepared for their regulations.

This guide cannot address every possible situation. Rather, it is intended to give you ideas on how different types of problems might be addressed.

This guide was prepared after consultations with RIAS users, both inside and outside government, and RIAS writers in several departments. Almost all the examples used in this guide have been selected from a survey of over 300 recently published RIASes. They have been edited to best illustrate the points being presented.

There are other regulatory guides available that can help you with:

- getting regulations approved;
- cost-benefit analysis;

- international harmonization of regulations (and standards);
- compliance and enforcement; and
- competitiveness and the design of regulations.

Other guides will be appearing from time to time.

This guide is a joint venture of Consulting and Audit Canada and the Regulatory Affairs Directorate of the Treasury Board Secretariat.

Regulatory reform - from 1986 to the present

In 1986, the government introduced some key innovations to the regulatory process.

- A Regulatory Impact Analysis Statement (RIAS) now accompanies each proposed regulation;
- A *Citizens' Code of Regulatory Fairness* was adopted;
- Draft regulations are published, together with the RIAS, in the *Canada Gazette*,[1] Part I to provide an additional opportunity for public comment on upcoming regulations.

The regulatory process has been fully operational since 1987. Since its implementation, experience has shown that RIASes are used and valued by members of the public, as well as being useful in the process of developing regulations.

The driving force behind the regulatory process is the Regulatory policy. It is designed to ensure that use of the government's regulatory powers results in the greatest benefit to Canadians. The RIAS plays a fundamental role in the implementation of the Regulatory policy.

The RIAS: a contract between the government and Canadians

Because the RIAS is used

- by the government to complete the public consultation process, and
- by ministers to approve regulations,

it is very much a social contract. It provides a description of what the government is going to deliver, how Canadians have been consulted, and what

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1 The Canada Gazette is the government's official journal for notifying Canadians of official actions.

they have said. It then offers a final chance for Canadians to have input to the regulation-making process.

Within government, the RIAS is intended to provide better information for decision-makers both inside and outside the initiating department.

Outside the government, the RIAS is intended to give the public better information on which

- to evaluate proposed regulations, and
- to base any questions and final comments they may have about specific regulations.

The opportunity for public review is an important feature of the Regulatory policy.

What the RIAS looks like

The RIAS has six sections.

1. ***Description*** outlines the regulations, defines the problem and shows why action is necessary.
2. ***Alternatives*** lists options besides regulation and other types of regulation.
3. ***Benefits and Costs*** quantifies the impact.
4. ***Consultation*** shows who was conferred with and the results.
5. ***Compliance and Enforcement*** explains the policy on conforming to the regulations and tools to ensure it is respected.
6. ***Contact Person*** is the individual best able to answer questions from RIAS readers.

Every section of the RIAS is motivated by one or more items in the Regulatory policy or the *Citizens' Code of Regulatory Fairness*. The RIAS is, therefore, a public accounting of each regulation in terms of the government's Regulatory policy.

The RIAS and the Regulatory policy

Although writing the formal RIAS often comes toward the end of the regulation-making process, most of the evaluation should have already occurred. For instance, before regulation is even viewed as an option, the Regulatory policy asks some basic questions (1 and 2 below). The answers to these and subsequent Regulatory policy questions are the core of the RIAS.

How does this work?

The ***Regulatory policy*** provides government officials who are faced with a problem with a framework for analysing the issue and exploring possible solutions.

The ***RIAS***, in answering the following questions, explains how officials did their analysis and chose the particular regulatory option being proposed.

1. Does a problem or risk exist? *(You explain in the Description section of the RIAS how the regulation complies or does not comply with this requirement.)*

2. Is government intervention justified? *(Discuss in Description.)*

3. Of all potential alternatives, is regulation the best? *(Discuss in Alternatives.)*

4. Is the regulatory program "designed" to maximize the gains to beneficiaries in relation to the cost to Canadian governments, businesses and individuals? *(Discuss in Benefits and Costs.)*

5. Have steps been taken:

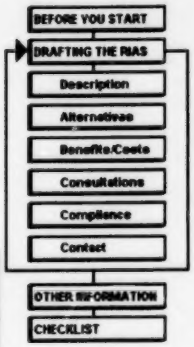
   - to minimize the regulatory burden on Canadians through such methods as cooperation with other governments? and

   - to ensure that regulatory programs impede as little as possible Canada's ability to compete internationally? *(Discuss in Benefits and Costs.)*

6. Have Canadians, particularly those most directly affected, been informed about and had an opportunity to participate in the development of, or modification to, regulations and regulatory programs? *(Describe the consultation, summarizing the main results.)*

- Are compliance and enforcement policies articulated? *(Explain in Compliance and Enforcement.)*
- Have resources been approved and are they adequate:
- to discharge the department's enforcement responsibilities effectively, and
- to ensure compliance where the regulation binds the government, *(Ensure the resource issue is resolved and explain, if appropriate, in Benefits and Costs.)*

DRAFTING THE RIAS



You are making a presentation

- Address the concerns of your audience.
- Put what is most important first.
- Use short sentences and clear language.

Do not obscure your presentation with excessive technical language.

The RIAS is published with the regulation. It is intended to show that

- government intervention was necessary;
- regulation is the best alternative;
- the proposed regulation maximizes net social benefits;
- there was adequate consultation; and
- the compliance mechanism is appropriate and in place.

When you see your RIAS as a presentation, instead of merely explaining the regulation, the whole character of the document is transformed. Rather than a dry narrative, you build arguments to logical conclusions.

Decision-makers in government are becoming more and more sceptical about whether all the regulations already on the books are really necessary. Consequently, it is becoming harder to show that yet another regulation is really in the best interests of the country.

Stick to the facts and you will reveal the merits of the regulation.

If, on the other hand, you are not persuaded that your department has done its homework in preparing the regulation, you may save it and your senior managers a lot of grief if you go back and ask questions now, before the regulation gets snarled in the system. Discuss your reservations with other staff members in your department, to enhance your understanding and your arguments in support of the regulation.

A key objective: persuasion

In a RIAS, you want your readers to be convinced that the regulation conforms to government policy. There are two parts to this question.

1. Does the regulation assist my department in carrying out its mission in implementing the policy from which the regulation emanates?
2. Does the regulation conform to the government's Regulatory policy?

Regulations are an instrument of policy. They flesh out what is normally already accepted policy, whether in the form of a ministerial statement or a clearly legislated mission.

To show this consistency, you need to address and demonstrate the points on pages 5 and 6. The critical test is this (and it is a stiff test): does the regulation maximize the gains to Canadian society in relation to the costs?

Your audience: who reads a RIAS and why?

The RIAS reflects the conclusions the department or agency has reached after appropriate analysis and consultation. It sets out what the department or agency will be accountable for.

There are four potential groups of readers:

- the public at large
- the affected public (that has been consulted during the regulation development process)
- the interested public and
- ministers, their staffs and departments.

The public at large

While members of the public at large seldom have the time or interest to read a RIAS, those who represent their interests do. The *Canada Gazette*, in which RIASes are published, is received by associations, companies, consumer groups, lobbyists, unions, legal firms, universities and hundreds of libraries across the country. Once it is published in the *Gazette*, a RIAS is in the public domain. It should, therefore, be understandable to anyone who may wish to read it.

The affected public

Departments will have already consulted many of those who are directly affected by a proposed regulation as it is being developed. The consultation should include such groups as industry or consumer associations. Those consulted will be aware of the general intent of the regulation, but frequently will not know in detail what course the government has ultimately chosen. The RIAS provides this detail.

The interested public

Since it is impossible to reach every firm or consumer individually through consultation, publication of the RIAS with the regulation provides a final opportunity for interested Canadians to be aware of what is happening and to have an input if they so desire. Many readers of the *Canada Gazette*, like those who have been consulted, are knowledgeable about the industry or activity being regulated.

As you draft, think mostly of this group -- informed members of the public. They are knowledgeable about the industry or activity being regulated, but are largely unaware of the initiative itself. As a result, using some technical terminology makes sense if it improves clarity, but otherwise avoid it, as well as unnecessary details. If you write the RIAS at a level of detail and in language that is understandable to the informed public, you will also be serving another group -- ministers and their staffs.

Ministers, their staffs and departments

The Special Committee of Council (SCC) is a committee of Cabinet that considers and approves submissions to the Governor in Council[2], essentially Orders in Council[3] and regulations made pursuant to statutory authority[4]. The Chair is usually the President of the Privy Council.

The SCC reviews most regulations twice before they become law: first, prior to publication in Part I of the *Canada Gazette* (prepublication) and second,

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2 what is this

3 What are these

4 What is this

before they can be published, as law, in Part II. The SCC is responsible for ensuring that

- regulations conform to government policy, including the Regulatory policy, and
- communications and other issues related to the regulation have been considered.

The RIAS (together with the Communications Plan and, if necessary, a Supplementary Note for Ministers -- see page 51) should assure ministers that this is the case.

Some writing hints

Put yourself in the position of your target reader -- the interested and informed public. Start with what is important to your audience. You may find clues in the results of the consultation. What bothers people about this regulation? Deal with those issues, and try to put them in descending order of importance.

In terms of the content of your arguments, focus on what conclusions you want your readers to come to. Do your arguments lead to those conclusions? Put the most telling argument first. This helps you identify points that really are not relevant. These should come last, where they are easier to cut.

In the following box we present an excerpt from the guide for writing Memoranda to Cabinet. It contains good drafting points.

- Use everyday language.
- Avoid long, complicated sentences and paragraphs.
- Avoid technical terms, jargon or unfamiliar acronyms.
- Be concise and stick to the key points.
- Build arguments step by step.
- Rework each sentence until every word counts.
- Ruthlessly cut back, reread your draft after a few days, and cut back again.
- Ask a colleague who is unfamiliar with the subject to read through your final draft.

Cost of publishing: options

Departments and agencies are charged about $240 per page to publish the RIAS and regulations in the *Canada Gazette*, Parts I and II. (A single WordPerfect page of text in one language, when published in the *Gazette* in both languages, equals one *Canada Gazette* page).

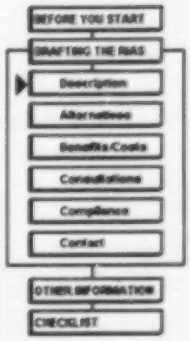
If either your regulations or RIAS are very long, you have options.

- At prepublication (Part I), consider publishing a summary RIAS and no regulations. If you do so, explain at the beginning of the summary

RIAS that both the complete RIAS and the regulations are available from the contact person (see page 49). In this case, the prepublication stage should be longer than 30 days.

- At final publication (Part II), consider publishing the summary RIAS again. At this stage, the regulations will have to be published in their entirety for legal reasons.

DESCRIPTION



- Define the problem.
- Let your readers quickly see whether and how the regulation will affect them.
- Show why action is necessary.
- Describe the solution that the regulation or amendment is intended to provide.
- Avoid detailing the history of the legislation or regulation beyond what is essential.

The Description section is the most widely read and, consequently, most important section of the RIAS. It is not necessarily easy to draft, as it is intended to cover a variety of points in short order. It should seldom be necessary to draft more than a page for this section. The purpose is to define the problem and show that it needs government intervention. Next, describe the solution that the regulation or amendment will provide.

One of the first questions your readers will be asking is, "Does this regulation concern me?". Your task is to provide enough information to help them find out quickly if the proposed regulation will affect them and how. You can do this by describing the affected population at the start. Readers in this group will read on.

In clear and simple language, provide a context to help the reader understand the regulation, but avoid giving excess detail on the history of the legislation or regulation. If you have difficulty focusing on what is most important, try thinking about how you would describe the regulation if you were speaking for two minutes to a person who is somewhat aware of the issue.

You may also want to explain how the proposed regulation fits into the department's policy framework, and that it is within the department's mandate.

In the Description section, you are dealing in part with the two first requirements of the government's Regulatory policy, e.g., that departments must justify that

- a problem or risk exists, and
- government intervention is justified.

The fact that there is a problem is not of itself a justification for action. In particular, it is not a justification for regulatory action of any sort, let alone what is being contemplated. The action requires its own justification. State it.

The solution to the problem will be put into focus in the two following sections, the Alternatives and the analysis of Benefits and Costs. Leave the arguments for later. Just sketch the essentials of the regulation here. Avoid citing section numbers of the Act or regulation as well as other non-essential details; they distract.

On the following pages are examples of several well-written descriptions:

Example 1	A minor "housekeeping" regulation,
Examples 2 and 3	Regulations implementing policy initiatives, and
Example 4	A cost-recovery regulation.

Each describes a different type of regulation. In reviewing these examples, remember that the scope of a regulation is determined by the number of people affected and to what extent. This helps determine how long the RIAS (and the Description) should be.

You will see that the same questions can be addressed in a variety of ways, so you do not have to force your RIAS into someone else's style.

A minor "housekeeping" regulation

Example 1

A Regulation Concerning the National Parks Act

Description

A recent amendment to the National Parks Act requires the National Parks Townsite and Subdivision Designation Regulations to be revised to reflect certain changes in terminology.

The new regulations are called the National Parks Town, Visitor Centre and Resort Subdivision Designation Regulations. These regulations refer to certain surveyed lands within the national parks by different names or designations. The following table shows a comparison of the previous and the new designations.

NATIONAL PARK	NAME OF SURVEYED LANDS	DESIGNATION IN PREVIOUS REGULATIONS	DESIGNATION IN NEW REGULATIONS
Banff	Banff	Townsite	Town
	Lake Louise	Townsite	Visitor Centre
Jasper	Jasper	Townsite	Town
	Lake Edith	Subdivision	Resort Subdivision
Kootenay	Radium Hot Springs	Townsite	Visitor Centre

These regulations also completely update the lists of Plan Numbers of Record in the Canada Lands Surveys Records Office in Ottawa

Discussion

- The context is described concisely and the reader can easily understand the reason for the regulation.

Charts, graphs and tables often help. In this case an easy-to-understand table presents a lot of information that would have been difficult to follow in narrative form.

Two regulations implementing policy initiatives

Example 2

A Regulation Concerning Tax Relief for Farmers

Description

On June 30, 1988 the Minister of Finance announced a tax deferral program for farmers forced to sell their breeding herd of livestock due to drought conditions. These regulations name the eligible drought regions for the years 1988, 1989 and 1990.

The amendments to the *Income Tax Act*, included in Bill C-28 (1989), permit farmers who sell breeding livestock because of drought to defer a portion of their taxable income. The sale proceeds can be deferred until the following year, or the year following the end of a series of consecutive drought years, as the case may be. As a result, the full amount of the proceeds will be available to replenish their herds at that time.

The tax deferral applies to sales of breeding animals in prescribed drought regions. These are areas of Canada that the Minister of Agriculture advises should be designated as suffering from drought conditions during a year.

Between June 1988 and September 1990, the ministers of Finance and Agriculture announced that various regions of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario were prescribed drought regions for that respective year.

Discussion

- The history is neatly captured.
- Affected persons can quickly identify themselves.
- The need for the regulation is apparent.

Example 3

Permits for Moving Elk and Other Ungulates (Tuberculosis Control)

Description

The regulation and the order which it replaces are required because of the discovery of a large number of herds of elk in Canada that have been exposed to tuberculosis. There are currently 47 herds of game animals, primarily elk, under quarantine in Canada. Animals from these herds are still being traced to determine whether they have spread the disease.

The regulation requires anyone who wishes to move certain animals, anywhere within Canada, to obtain a permit from an Agriculture Canada veterinarian. The animals which require a permit are ungulates, members of the order *Artiodactyla*, and include all deer, elk, antelope, camels, lamas, sheep, goats and pigs, and other animals having feet which end in an even number of toes or hooves. The regulation applies to all places that have such animals, including zoos, petting zoos and game farms.

Domestic cattle, sheep, goats and pigs that are used to produce food or fibre, are exempt from the regulation.

The regulation replaces the Ungulate Removal Prohibition Order, which prohibited the movement of these animals. The regulation will allow animals to move again providing they have the appropriate permit, while allowing Agriculture Canada to ensure that they do not spread tuberculosis.

Agriculture Canada veterinarians are tracing the movement of all animals that are known to have been exposed to the infected herds. At the same time they are investigating and testing all premises which have game animals that are susceptible to tuberculosis.

Permits will be issued when the veterinarian is satisfied the animals will not spread tuberculosis or brucellosis. The veterinarian's decision will be based on criteria which will assure that the herd is free of tuberculosis and brucellosis, such as: history of the herd; individual and herd tests; the number of purchases, their test history and their point of origin; and exposure to animals suspected of or infected with tuberculosis or brucellosis.

Discussion

- Those affected are clearly identified.
- The need for the regulation is clearly stated. The response is outlined briefly, but coherently.
- A scientific term is used, but clearly explained.

A cost-recovery regulation

Example 4

Regulation Concerning the Energy Board

Description

Since 1985, the government has been introducing a user-pay system to recover the costs of installing and operating services for the general public.

In response to this initiative, the National Energy Board (NEB) has developed the National Energy Board Cost Recovery Regulations, under the National Energy Board Act. The companies regulated by the NEB include almost 50 oil and natural gas pipeline companies, some 100 oil and gas exporters and 15 electricity exporters.

Under the regulations, the NEB will recover the cost of its operation, some $26.5 million annually. The regulations prescribe the charges payable by the regulated companies and the method of calculation and of payment.

Charges will be calculated using a two-tier system. First, an initial split will be made among the three commodities, oil, natural gas and electricity, based on the amount of time spent by the NEB on each. For example, in the first year, approximately 55 per cent of the NEB's costs ($14.5 million) would be allocated to natural gas, 35 per cent ($9.3 million) to oil and 10 per cent ($2.7 million) to electric utilities that export electricity.

Second, the allocation to each commodity will be further divided. Among the larger pipeline companies, the allocation will be based on forecast deliveries from their pipelines; among the electric utilities who export, it will be based on the amount of their forecast export. The regulations provide for a threshold as well. The Board would assess a specified, reduced amount to companies operating below the threshold.

In calculating the annual invoice, the billing procedure includes adjustments for variances. Adjustments are based on actual versus forecast deliveries, actual versus forecast electricity exports, and actual versus forecast NEB operating costs.

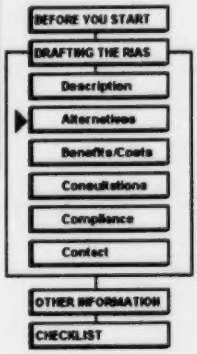
The NEB's cost-recovery program should be implemented as soon as possible in the 19XX/XX fiscal year.

Discussion

- The justification for the regulation is immediate and the context is presented succinctly.
- People who might be interested or affected can quickly understand the purpose and application of the regulation.
- Although in its detail the regulation is complicated, the reader has a clear understanding of the costing approach used.

ALTERNATIVES

- This section is optional if the regulation is a minor correction to an existing regulation or where the law defines both the nature and form of the regulation.
- List alternatives to regulation and alternative types or forms of regulation. Explain why these alternatives were not selected.



In the process of developing a regulation, your department looked at the options available to it as soon as the problem was defined. The Regulatory policy requires this examination to avoid needless or unnecessarily costly regulations. Since the examination may have been done some time ago, check the information on the alternatives considered.

Think broadly. This section should list both alternatives to regulation (such as voluntary standards) and alternative types or forms of regulation (such as economic instruments, e.g., tradeable emission rights). In all cases, list the alternatives and offer a brief explanation of why these alternatives were not selected. Treating each alternative in a separate paragraph (see Example 5) adds clarity.

There can be many reasons for choosing or disqualifying alternatives, cost and feasibility being among the more common. You should also consider whether regulatory cooperation with the provinces could reduce the overall regulatory burden or wasteful duplication. As well, in recent years regulations have been overturned by Parliament for failing to meet two principles. These are:

- the alternative selected should not represent undue interference with individual freedom; and
- the alternative should not infringe on the powers of Parliament, notably the power to authorize expenditures.

Statements such as "There are no alternatives" should be avoided except in those circumstances described in the next paragraph.

Under certain circumstances, the Alternatives section may be omitted, particularly when it is self-evident that there were no real alternatives. Make sure that the decision to omit is clearly explained and easily verified, such as where the law defines both the choice of instrument and its form (e.g., each year the Minister of Finance prescribes the tables employers are to use in collecting contributions to the Canada Pension Plan -- contributions which are already specified in law).

If, for political or other reasons, the information on alternatives is sensitive, include the discussion in a Supplementary Note to Ministers, which will not be published (see page 51 of this guide).

The following examples are provided:

Example 5 Replacing an existing regulation,
Example 6 Implementing a policy change,
Example 7 Regulating because there is no alternative, and
Example 8 A new regulation.

Replacing an existing regulation

Example 5

Permits for Moving Elk and other Ungulates (Tuberculosis Control)

Alternatives

Alternative 1

To allow these animals to move freely in Canada.

Canada is currently reaching the final stage of an eradication program to wipe out tuberculosis in cattle. The spread of tuberculosis from these animals to cattle is not acceptable. Not all the animals that have been exposed in known infected herds will have been traced and tested.

Alternative 2

To continue to prohibit the movement completely.

This alternative (now in place) was chosen initially because it would stop the movement of animals and thus prevent new premises from becoming infected. This is now seen to be unnecessarily restrictive. The Prohibition Order will be revoked and replaced by the regulation as soon as it is approved.

Alternative 3

To control the movement through a permit system.

This regulation to implement a permit system was brought into force so that animals that are known to be free of the disease or that are going to slaughter, will be allowed to be moved. This regulation will allow some normal trade to resume without the risk of spreading the disease.

Discussion

- This example takes a very structured approach by separating the analysis of each alternative with subheads. This approach is well suited to the content of the section.
- The alternatives are easy to understand and the benefits of the selected option are explained.

Implementing a policy change

Example 6

An Amendment to the Crop Insurance Act

Alternatives

Two alternatives to these regulations were considered in developing amendments to the Crop Insurance Act.

The status quo was rejected because revisions to the regulations were needed. Provinces and the producers requested greater flexibility and adequate controls on federal contributions were needed to provide greater consistency between crops and between provinces. Producer demands for greater consistency and equity between provincial crop insurance plans were also a major factor in rejecting the alternative of reduced federal regulatory controls.

Privatization of crop insurance was rejected because private companies have been unsuccessful in providing multi-peril crop insurance in North America. High premiums have discouraged the number of participants needed to pool risk efficiently.

As a result, government subsidies have been necessary to make insurance affordable for the majority of producers. Private insurance carriers in Canada have continually expressed little interest in multi-peril crop insurance.

Discussion

- This example explains why the regulation needed to be amended and concisely examines the alternatives.

Regulating because there is no alternative

Example 7

Railway Construction Works

Alternatives

These regulations include only works that are significant in terms of safe railway operations and that can be of concern to municipalities, other parties and the general public. The proposing party should be required to give notice of these works far enough in advance to permit any opposition to be taken into consideration and acted upon, if necessary, before work commences.

The alternatives are:

- not to prescribe any works for which notices must be given; or
- to add types of works that will be subject to this requirement.

The majority of railway construction and alteration projects are routine in nature and do not have any direct impact on other parties. These works will be subject to the requirements of the Railway Safety Act and may be inspected at any time by railway safety inspectors. Requiring notice of these routine works would greatly increase paperwork for industry and the government without the benefit of increased safety.

Discussion

- The example explains why regulation is the only alternative and then discusses various regulatory alternatives concisely.
- Even when regulation is the chosen instrument, its design is another issue. This is addressed.

A new regulation

Example 8

A Regulation Concerning Broadcast Interference

Alternatives

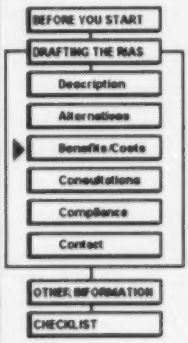
These amendments are the only practical alternative to the status quo. A voluntary standard set by the Canadian Standards Association has existed in various forms since 1948. It has not, however, been effective in reducing the number of radio interference complaints caused by high voltage (HV) power systems. In fact, over the years, there has been an increase in interference complaints requiring investigation the Department of Communications.

Discussion

- An alternative approach, voluntary standards, has failed, justifying the need for regulation.

BENEFITS AND COSTS

- The complexity of this section should be proportionate to the significance and impact of the regulation.
- Only new regulations and amendments having major impacts require a full benefit-cost analysis.
- Assess which groups, activities or areas of concern will bear the costs of the regulation and which will receive the benefits.
- When possible, quantify estimates for impacts on inflation, employment, distribution of income, operating costs, international trade, including global competitiveness, and direct benefits.
- Include costs to industry, the public and the government, including enforcement costs.
- Use qualitative assessments when the anticipated impact of the regulation does not warrant or lend itself to detailed quantitative analysis.
- Whenever there are possible environmental effects, summarize the results of an assessment of the environmental implications.



This section is the one most likely to vary in structure and content from one RIAS to another. As a result, it may be more difficult to draft. However, it is also one of the most important.

The government's Regulatory policy states not just that the benefit of a regulation must exceed its cost, but that the regulation should be designed to maximize gains in relation to costs. This means that the benefits of the regulatory action chosen must be greater than the benefit of any other type of regulatory or non-regulatory action. Demonstrate here how your proposed regulation complies.

Demonstrate net benefits from the point of view of Canadian society as a whole. This involves an examination of benefits and costs, and then a comparison of the two.

For example, concern should be shown for the impact of regulations on businesses of different size: small companies have few resources to dedicate to filing information, or to keep up with changes in regulations.

Early on, you should assess which groups, activities or areas of concern will bear the costs of the regulation and which will receive the benefits. To illustrate the range that could be examined, we have included a list of considerations identified in the guide for writing Memoranda to Cabinet.

- business
- labour
- primary industries
- trade
- science and technology
- transportation
- resource industries
- financial institutions
- tourism
- cultural industries
- education
- consumers
- public safety
- environment
- health
- international commitments
- *Charter of Rights*, equality, social justice
- privacy, access to information
- official languages
- the unemployed
- the working poor
- persons with disabilities
- aboriginal people
- youth
- seniors
- veterans
- women
- ethnic concerns
- municipal governments
- federal-provincial relations
- value for money in government
- northern development
- regional economic development
- lobbyists
- the media
- professional associations
- etc.

Regulations and amendments may have a major, moderate or minor impact. The extent of the analysis should be proportional to the significance of the regulation. Only those having major impact will require a full benefit-cost analysis. Those having moderate impact should include some quantitative analysis. For minor regulations with little or no cost impact, be brief.

Quantitative analysis can be used most easily to measure impacts on inflation, employment, operating costs and for direct benefits.

Where the apparent impact of the regulation warrants it, try to provide data on such issues as distribution of income and international trade, including global competitiveness.

Qualitative assessments are used when the anticipated impact of the regulation does not warrant or lend itself to detailed quantitative analysis. This is sometimes the case with health, safety and environmental regulations. In most cases, however, a dollar figure or similar quantitative assessment can and should be included in. If it is going to cost $X to save a stream, say so.

The cost issue is key. The requirements of the Regulatory policy are very clear here -- *the regulation must maximize the benefits in relation to the cost to Canadian governments, businesses and individuals.* For cost-recovery regulations, estimate the costs to be recovered annually and describe the cost-recovery mechanism. Inflation should be taken into account. Cost increases in excess of the rate of inflation (use the Consumer Price Index unless it is clear another measure is more appropriate) should be justified.

Not all the examples presented in this section address these issues completely, in some cases improvements are suggested in the Discussion. This often involves using more numbers, which would give the reader a more tangible grasp of the impacts, even if a strict comparison between benefits and costs is difficult to make.

Example 9	a regulation with little or no impact
Examples 10-12	three regulations with moderate impact
Examples 13 and 14	two regulations with benefits that are difficult to quantify
Example 15	a cost-recovery regulation
Example 16	a regulation with major impacts

A regulation with little or no impact

Example 9

A Regulation to Close a Railway Line

Benefits and Costs

Two shippers use the line, Alberta Power Limited and Manalta Coal Company. Alberta Power Limited no longer requires these services. As the Manalta Coal Company has been invited to purchase the branch line for operation as a short line, no shippers will be adversely affected by terminating the abandonment protection.

Discussion

- In this case, the one affected company has been offered the branch line (price may be an issue). If the firm cannot profitably operate the line for its own use (and the use of any customers it may find), then maintaining the line would not offer a net benefit and closure would be justified.
- Moreover, the decision is left to the company, which has the best information on the matter.
- Where there is little or no impact, say so early on.

Three regulations with moderate impact

For most regulations and amendments (those with moderate impact), benefits and costs should be identified, discussed and quantified.

Costs are often easier to quantify than benefits. If industry costs cannot be quantified, at least provide some data to indicate the scope of the potential impact, for instance, the number of firms in the industry, their respective size, and their regional concentration.

There are ways of quantifying benefits, even when they seem unquantifiable, e.g. the number of lives saved through improved health or safety. Other benefits can be measured in dollars:

- employment benefits;
- effects on the distribution of income;
- operating cost savings; and
- international trade benefits including the global competitiveness of Canadian business.

The following examples are presented to show how a few numbers can help the reader evaluate the impacts, even when a formal comparison is not made (or warranted).

Example 10
Initial Payments to Barley Producers

Benefits and Costs

Initial payments to barley producers have been increased by 10 per cent for deliveries made to the Canadian Wheat Board (CWB). The higher payment should attract deliveries, enabling the CWB to take advantage of sales opportunities. Substantial sales of this grain have been consummated recently, and the monies received allow further payments to producers. If producers deliver to the pool account one million ton of designated barley during the 19XX/XX crop year, this initial payment adjustment will represent $12.5 million in additional income for barley producers.

Discussion

- The beneficiaries are clearly identified; however, the approximate number of barley producers might have been given. This would enable the reader to quickly grasp the average impact on producers.

- The initial and final prices of barley the previous year would also be relevant. Despite the increase, are farmers trying to get by on lower incomes, or has there been a material improvement?

Example 11
Airport Landing Fees

Benefits and Costs

The new minimum landing fees at Toronto-Lester B. Pearson International and Vancouver International airports will increase costs to the aviation sector by an estimated $3-$4 million annually. Minimum fees at peak hours are increased to $75 at Toronto and $25 at Vancouver.

At Vancouver, travellers and carriers will benefit through reduced congestion. It is anticipated that the aviation sector will respond to the minimum fees by diverting enough traffic to neighbouring airports to provide short-term relief of runway congestion. The anticipated diversion of traffic from Vancouver will not exceed the available capacity at neighbouring airports.

At Toronto-Lester B. Pearson International, the new minimum landing fee is intended to complement the existing cap on aircraft activity. While the number of aircraft diverted may not be significant, it will help ensure that scarce capacity is allocated to users who place a high value on access.

Discussion

- The total impact in dollar terms is clearly stated, as well as the impact on each individual flight.
- The benefits (reducing congestion) are identified as the object of the regulation. However, in the case of Toronto, the fee increase is not expected to alter carriers' behaviour, thus the objective is unlikely to be met. Even for Vancouver, the discussion could be strengthened, perhaps by describing the convenience that other airports offer.

Example 12

Duty Remission for Potato Chip Producers

Benefits and Costs

This remission of duties assists potato chip producers in maintaining production capacity and market share during periods of shortage of raw inputs from Canadian sources. Canadian chipping potatoes are not available part of the year due to storage problems, hence potato producers will suffer little effect. Seven companies will receive duty remissions totalling $302,814 (for 1987) and $147,796 (for 1988).

Discussion

- The beneficiaries are clearly identified, and the average benefits are easily calculated.
- The position of potential losers (Canadian potato growers) is evaluated, and the impact appears to be minimal, so there are clear net benefits to this measure.

Two regulations with benefits that are difficult to quantify

Sometimes benefits are not fully quantifiable, for example:

- certain improvements in safety;
- changes in environmental quality;
- reduced federal-provincial overlap or duplication of regulations; or
- compliance with the policy on official languages.

Nevertheless, they should still be identified and discussed.

It is important to assess which groups or interests will bear the costs of the regulation and which will reap the benefits. The number of people affected might be known, or, in terms of environmental impact, the change in some biological parameters, such as the loss of a lake for migratory birds, should be stated.

Example 13
A Regulation Concerning Artificial Sweeteners

Benefits and Costs

Social costs: the department recognizes the potential for increased intake and the resulting nutritional impact of high intensity sweeteners as permission is granted to use these substances in a wider variety of foods. Replacing sugar in the diet with an intense sweetener could result in a shift in the distribution of dietary energy sources. For example, a decrease in sugar content of foods could increase the proportion of fat in the diet. Further submissions for the use of high intensity sweeteners in additional foods will take these factors into consideration and the potential shift in dietary energy sources will be monitored.

Social benefits: the consumer will have a greater selection of foods sweetened with aspartame. Persons with diabetes and other consumers who need or wish to avoid sugar will also derive benefits from this amendment.

The amendment should not result in a reduced marketplace selection of foods traditionally sweetened with sugar.

Discussion

- The social cost and the social benefits have been contrasted. Separation of the two sections adds clarity, even where the benefits and costs of the measure appear vague.
- Monitoring of the unknown effects of dietary changes is proposed and it is suggested that the results will provide improved information for analysing future submissions.

Example 14
A Regulation Governing Sport Fishing

Benefits and Costs

Costs: [not shown here]

Benefits: the amendments should promote and increase natural spawning. The protection afforded will also make more fish available to anglers in the future and improve their catch success. Restructuring the salmon quota allows a sport fishery to be opened up in sockeye, pink and chum salmon if there are sufficient stocks.

Net Benefits: the costs imposed by the amendments are more than offset by the long-term benefit of conserving fish stocks for continued use and enjoyment. The amendments help ensure the continued viability of the inland sport fishery of British Columbia, which is world-renowned and valued at over $300 million annually. Therefore, the continued welfare of the sport fishing industry (e.g., lodges, guides, tackle manufacturers and dealers) is also protected.

Discussion

- The environmental consequences of the measure are outlined clearly and briefly.
- A link is made between the environmental impact and long-run economic consequences.
- Where a larger study has been made, it would be useful to indicate in the RIAS that the environmental assessment report will be made available when the regulations are published.

A cost-recovery regulation

When introducing a cost-recovery regulation, include an estimate of the costs to be recovered annually and a description of the cost-recovery mechanism.

When a regulation calls for an increase in fees, present this information in relation to the rate of inflation. Unless another indicator is clearly more appropriate, the Consumer Price Index (CPI) will suffice. Thus, a fee increase of five per cent at a time when inflation was four per cent in the previous year would likely have little impact. Significant increases over the rate of inflation should be justified.

Example 15

A Regulation Concerning Admission Fees at National Parks

Benefits and Costs

This initiative is not expected to cause hardships for recreational facility users. Increases to the fees are an attempt to recover a portion of the rising costs of operating and maintaining recreational facilities in the national parks. Where possible, fees have been scheduled to offer a range of price options to the public. Some new services are being offered in response to public demand.

The initiative will result in no additional operating costs for park administrations, which will be responsible for collecting the fees. The increases will generate approximately $100,000 in extra revenue.

Discussion

- The rationale for cost recovery is included with an assessment of the impact of the regulation.
- The means being used to minimize impacts are identified, but could be spelled out in a little more detail.
- The number of users likely to be affected and their regional distribution would be pertinent. (Is the burden evenly distributed, or does it fall mainly on users of the big parks?)

A regulation with major impacts Example 16

Daytime Running Lights (DRL) for Motor Vehicles

Benefits and Costs

The anticipated effects of the regulation were described in detail in the report, Analysis of a Proposed Regulation Requiring Daytime Running Lights for Motor Vehicles, Report TP7873, Department of Transport, Ottawa, June 1986, which has been slightly amended since. The amended assessment is available from the department and a brief summary follows.

The projected effectiveness of the amendment is based on experimental research in Canada, on field experience with fleets of corporate vehicles in Canada and the U.S.A., and on experience in the Nordic countries with regulations requiring Daytime Running Lights (DRL). The projections are subject to considerable uncertainty but median estimates suggest that annual totals of fatal, injury and property damage accidents will be reduced by about three, five and four per cent, respectively, once the entire vehicle fleet is equipped to meet the requirements. This would be equivalent to a reduction of about 110 fatal accidents, 9,000 injury accidents and 35,000 property damage accidents annually, at 1985 levels. These benefits exceed the costs for nearly every option examined.

Benefits

Minimum dollar values for the anticipated benefits in reduced accidents per vehicle-lifetime have been based on the readily valued material losses in property damage, productive work, and health care sustained in average accidents. Ranges of these benefits based on "low" and "high" assumptions of DRL effectiveness are presented in Table 1, together with a "medium" estimate based on the average of several studies.

TABLE 1: PROJECTED VALUES OFBENEFITS IN ACCIDENT REDUCTIONS PER VEHICLE LIFETIME (1985 DOLLARS)

	Effectiveness		
	Low	Medium	High
Car	89	120	156
Light truck	65	87	114
Heavy truck	187	268	353
Bus	241	336	434

(Example 16 continued)

Costs

The cost of DRL systems will vary depending on the type of lamp used, the type of vehicle, and the nature of its use. Table 2 shows median projected costs. Average lifetime costs per vehicle of different possible DRL systems activating only two front lamps are estimated at $10 to $113 for passenger cars or light trucks, $30 to $181 for heavy trucks, and for buses range between a net saving of $225 and a net cost of $43, all in 1985 dollars. The daytime use of low-beam headlamps and all exterior marking lamps, which is currently practised voluntarily by many drivers and vehicle fleets and also permitted by this amendment, would cost about $290 for passenger cars and light trucks, and about $480 for heavy trucks or buses.

TABLE 2: COSTS OF DRL OPTIONS BY VEHICLE TYPE (1985 DOL LARS)

System	Car	Light Truck	Heavy Truck	Bus
Reduced intensity high beams	10	10	30	-225*
Reduced intensity low beams	113	113	181	43
High intensity parking lamps	44	44	(not applicable)	
Turn signals	31	31	61	-130*
Separate daytime running lamps	41	41	81	-110*
Normal intensity low beams and exterior marking lamps	286	286	486	482

(Example 16 continued)

Net Benefits

Comparisons of costs and benefits are projected over the lifetime of a representative vehicle of each type, for each of the DRL options separately. Using the "medium" benefits from Table 1, the net benefits are shown in Table 3. This table demonstrates that the safety benefits of DRL can be attained readily in a cost-beneficial manner on all vehicle types. Depending on the option the manufacturer chooses, system costs would vary, but they are positive for nearly every option except the full-time use of "lights" on current vehicles.

It is expected that a small proportion of new vehicles will be equipped with the normal intensity low beams and exterior marking lamps option, and that this proportion will decrease with time. The department will review the regulation within four years of its introduction to ensure that this expectation is being met. At that time, if the benefits of that option or other options selected by manufacturers do not justify the costs, regulatory action will be taken to further limit the options available.

TABLE 3: NET BENEFIT OF DRL OPTIONS PER VEHICLE -LIFETIME (1985 DOLLARS)

System	Car	Light Truck	Heavy Truck	Bus
Reduced intensity high beams	110	77	238	561
Reduced intensity low beams	7	-26	87	293
High intensity parking lamps	76	43	(not applicable)	
Turn signals	89	56	207	465
Separate daytime running lamps	79	46	187	445
Normal intensity low beams and exterior marking lamps	-166	-199	-218	-146

(Example 16 continued)

Other Impacts

This regulation is not likely to have any discernible effects on regional balance, technological progress, or the environment. This amendment and increased public awareness of the safety advantages of daytime light use has led to the development of a small industry, with more than 20 companies engaged in producing and marketing DRL components for new and existing vehicles.

Incremental spending on vehicle equipment and operation will be lower as a proportion of income for higher-income households, while benefits will be received in proportion to total expenditures on vehicle use. Pedestrians and bicyclists will receive substantial benefits without directly incurring any of the costs. Those vehicle users (including truck and bus companies) who would have operated with lights on in daytime without the regulation will also benefit disproportionately, by being able to avoid the costly use of all vehicle lamps.

The initial sharing of the costs of DRL between vehicle manufacturers in equipping vehicles and vehicle users in lamp replacement and fuel costs will differ substantially among the system options. Vehicle manufacturers may attempt to pass more of the costs on to buyers, a positive although a less efficient solution. In addition, the regulation will slightly differentiate Canada's vehicle market from those of other countries. This will constitute an additional cost to their entering the Canadian market.

Vehicle fuel demand will increase by an amount growing to between 100 and 300 million litres annually, depending on the option used, when the full fleet is equipped. This amounts to about 0.3 to 1 per cent of current road transport consumption. Fuel to meet additional demand will effectively all be imported.

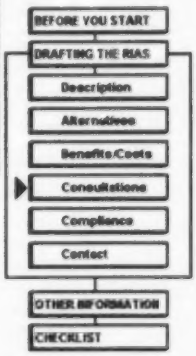
Imports of automotive parts and products could be expected to increase by about $20 million per year from 19XX, and imports of fuel by an amount growing to about $30-$100 million per year after 2000.

Discussion

- This section is a synopsis of a larger study, which is appropriate for a regulation of this sort.
- This example addresses impacts in both a quantitative and qualitative manner.
- The benefits-costs are summarized separately in a way that is easy to understand.
- The bearers of the costs and the beneficiaries of the regulations are well defined.
- The net benefit for the regulations shows through clearly.

CONSULTATION

- If the regulation has been included in the *Federal Regulatory Plan* or prepublished in the *Canada Gazette* Part I, include the publication dates.
- Show who was consulted.
- Indicate what consultation mechanisms were used.
- Discuss the results of the consultation and whether the regulation changed as a result.
- Name any groups still opposed to the regulation, if necessary in a Supplementary Note to Ministers.
- Revise to reflect and respond to comments received during the prepublication process.



Providing Canadians a full opportunity to be consulted and to participate in the regulatory process is a cornerstone of the Regulatory policy. The public is to be encouraged to criticize ineffective or inefficient regulation and to offer suggestions for better ways to solve problems and meet social and economic objectives.

Reporting on consultations that your department has undertaken is not technically difficult. It is only problematic if inadequate consultation has occurred. This may be grounds for delaying the adoption of the regulation until this issue is properly addressed.

As is the case with other issues addressed in the RIAS, the degree of consultation undertaken should be influenced by the significance and anticipated impact of the proposed regulation. This in turn will be reflected in the length of your write-up.

This section should include a statement such as, "Early notice was provided through the *199X Federal Regulatory Plan*, proposal no. __" or "Early notice was not given in the *Federal Regulatory Plan*." The latter case requires explanation. If the regulation was included in more than one annual plan, you may wish to cite both the current year's *Federal Regulatory Plan* and proposal number as well as those of the previous year.

If the regulation has been prepublished, this date should also be given. Prepublication is not a substitute for consultation. The groups which are most affected by the regulation should have been consulted before prepublication. Prepublication is intended only as a final check to give all interested parties a last opportunity to catch up with the government's planned course of action.

This section should address, in a concise manner, the following questions.

- Who was consulted? (individuals, interest groups, associations, federal departments and provincial governments, etc.)
- What consultation mechanisms were used? (written submissions, discussions, conferences, seminars, public notices)
- What were the results of the consultation and how was the regulation changed as a result of the consultation?
- If, after consultation, there is still a group opposed to the legislation, the reason for opposition should be noted, as well as the identity of the group. If it is highly sensitive, this can be addressed in a Supplementary Note to Ministers (see page 51).

Before the RIAS is published in Part II of the *Canada Gazette*, the Consultation section should be revised to reflect and respond, at least in a general way, to comments that were received during the prepublication process and any changes that were made to the regulation as a result. If no comments were received or no changes made, this should be stated. There are three examples provided:

Example 17	consultation on a minor regulation
Example 18	consultation on a disputed regulation
Example 19	consultation on a shift in policy

Consultation on a minor regulation

Example 17

A Regulation to Close a Railway Line

Consultation

There are two shippers who use this line. One of them supports terminating abandonment protection. Canadian National has offered to sell the subdivision for operation as a short line to the other shippers. This Order was prepublished in the Canada Gazette, Part I on December 8, 1990. No representations were made following the prepublication.

Discussion

- The affected groups are clearly indicated.
- The lack of a response to prepublication is recorded.

Consultation on a disputed regulation

Example 18

A Regulation to Restructure Fishing Quotas

Consultation

The Province of British Columbia has developed these amendments largely in response to requests from individual anglers, local organizations and the British Columbia Wildlife Federation. Provincial fisheries management personnel have also been extensively consulted at a regional level through rod and gun clubs and other associations such as the B.C. Steelhead Society, the B.C. Federation of Fly Fishers, tourist camp associations and angling guides. Notice of substantive amendments was also published a year in advance in the widely distributed provincial Freshwater Fishing Regulations Synopsis.

The possibility of opening up a sockeye, pink or chum salmon sport fishery has met with mixed reaction. The sport fishing interests have been asking for access to these species for a number of years. The amendments have been recommended by the Sport Fishing Advisory Board, which is made up of representatives of the sport fishing industry and of the general public. The commercial fishing sector has been consulted through local advisory committees such as the North Coast Advisory Board. They do not support the amendment as they view access to the three salmon stocks as a re-allocation from the commercial fisheries. The native fishing community is also not supportive of the restructuring, either because they are commercial fishermen and see it as a re-allocation, or because they see it as a potential erosion of future land claims settlements.

Although the impact of restructuring sport fisheries is somewhat controversial, it allows the department to open and close these fisheries promptly where there are adverse effects on stocks. The department will carefully monitor pilot sport fisheries for the salmon species, which will only be considered where salmon stocks are in excess of spawning requirements and aboriginal food fish needs. Pilot fisheries will not be undertaken where they will affect the aboriginal food fishery. Prior to implementing a new fishery, the department will consult with Indian bands in the area of the proposed fishery.

There was no reaction to the prepublication of these amendments in *Canada Gazette, Part I*, August 25, 1990.

Discussion

- The prepublication date is clearly indicated.
- Intergovernmental and public consultations are described.
- Issues raised by non-supporters of the regulation are clearly outlined and mechanisms to address these concerns are described.
- The fact that there was no response to prepublication is noted.

Consultation on a shift in policy

Example 19

A Regulation Concerning Broadcast Interference

Consultation

These amendments were first prepublished in the Canada Gazette, Part I on December 11, 1982, and again on August 20, 1988. The Canadian Broadcasting Corporation and 18 utilities responded to the first prepublication. Two main issues emerged from the responses:

- there was no specification of a minimum AM broadcast signal level to be protected; and
- there was no specification of radio noise limits for distribution systems.

It was agreed that specifying a maximum protected signal level for AM broadcast stations was necessary in order to identify clearly the limit of utilities' responsibilities. Otherwise, they would be responsible for interference with the reception of weak radio signals even outside a radio station's coverage area.

A conclusion was reached that it would not be appropriate to specify radio noise limits for distribution systems in the amendments. Unlike transmission systems, where a certain performance level is designed into the system, distribution systems produce radio interference as a result of sparking caused by faulty equipment, such as loose hardware or faulty insulators. Proper maintenance is necessary to minimize radio interference.

Following further consultations with the Department of Communications (DOC) regional office staff, the Canadian Electrical Association and various electrical utilities, appropriate changes were incorporated and the amendments were restructured in order to facilitate their interpretation.

(Example 19 continued)

The amendments were again prepublished in the *Canada Gazette, Part I* on August 20, 1988. This time four electrical utilities, the Municipal Electrical Association, the Radio Advisory Board of Canada and two telecommunications companies responded. The following revisions were made to the amendments, reflecting the comments received:

- an exemption for radio noise produced by high voltage direct current components in a power system, if the design of the system was initiated before the regulation comes into force;
- in Section 32, the indication that the Minister of Communications has the final authority for determining whether interference to radiocommunication originates with a power system; and

other minor modifications have also been made to make the amendments consistent with the *Radiocommunication Act*. The *Radiocommunication Act*, which is the enabling legislation for all DOC regulations respecting radiocommunication in Canada, was promulgated in 1989 and replaced the *Radio Act*, which was in force at the time of prepublication.

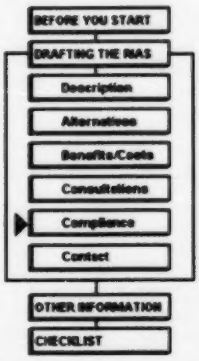
Discussion

- The prepublication dates are clearly specified.
- The groups consulted are named or described.
- Issues raised in the consultation phase are carefully presented.
- Changes to the regulation which resulted from the consultation are clear and concise.

COMPLIANCE AND ENFORCEMENT

- Optional in certain cases.
- For new regulations, explain the compliance policy and the enforcement tools and describe the penalties for non-compliance.
- Describe the means used to detect non-compliance.
- For amendments to regulations, describe only how the need for enforcement has changed as a result of the amendment.

Regulations are usually intended to get people to modify their behaviour to protect or enhance the public interest. It cannot, however, be assumed that everybody will voluntarily comply. Sanctions may be necessary and a process must be in place to encourage the necessary compliance. The Regulatory policy requires that compliance and enforcement policies that are appropriate for the regulations be established, and that this be clearly articulated.



Recent court decisions have determined that when a regulation is not enforced and the lack of enforcement leads to injury, the government may be held liable. Demonstrating that the means for ensuring compliance are or will be in place is an important part of this section.

For **new regulations**, the Compliance and Enforcement section should

- explain the mechanism adopted to ensure compliance (including criminal law sanctions, ticketing, prohibition and corrective action orders, inspection, licensing, registration or other government approval requirements);
- describe the means that will be used to detect non-compliance (e.g., inspection or testing) and
- describe the penalties for non-compliance (fines, imprisonment, and taxes).

It is vital that rules, processes, sanctions and the actions of regulatory authorities be securely founded in law. There should be consistency across regions in the administration of regulations, and sanctions should be proportionate to the seriousness of the violation.

In the case of **amendments to regulations**, address the question of whether the enforcement burden has increased. If so, indicate what measures have been taken (e.g., training or recruitment) to cope with the increase. It is not necessary to describe existing enforcement policy if it is unchanged as a result of the amendment.

Omission

The Compliance section may be omitted

- where a regulation confers a benefit that is not subject to abuse through inaccurate reporting; or
- when regulation takes the form of an access fee, in a situation where access is easily controlled.

Examples of such cases are the right granted to an individual to import a used car and, in the latter case, a park entrance fee.

A final reminder: where legal processes and sanctions are under discussion, special care must be taken to use plain English.

The following two examples illustrate how a Compliance and Enforcement section might be written for new and revised regulations.

A revision to a regulation

Example 20

A Regulation Concerning Fishing Quotas

Compliance and Enforcement

These regulations are enforced by federal fishery officers and conservation officers of the British Columbia Ministry of the Environment. The Fisheries Act provides for penalties if the regulations are contravened. These include fines of up to $5,000 and/or court-imposed forfeitures of fishing gear, catch, vessels and other equipment used in committing the offence. The courts may also impose licence suspensions.

These revisions to the regulation do not imply any additional enforcement costs.

Discussion

- The questions of who enforces, by what right and with what penalties are answered clearly and concisely.
- The fact that there are no additional enforcement costs is clearly stated.

A new regulation

Example 21

A Regulation Intended to Preserve Historic Railway Stations

Compliance and Enforcement

In accordance with subsection 5(2) of the Act, any railway company that does not have authorization from the Governor in Council before it:

- removes, destroys, alters, sells, assigns, transfers or otherwise disposes of a heritage railway station it owns or otherwise controls; or
- alters any of the heritage features of a heritage railway station

is guilty of an offence and liable to a fine of between $50,000 and $1,000,000.

The Canadian Parks Service will regularly inspect heritage railway stations and their heritage features for illegal alterations.

The Royal Canadian Mounted Police will be asked to enforce the Act and regulations as the need arises.

Discussion

- The tools to ensure compliance are well discussed.
- The penalties for non-compliance are specified.
- The monitoring organizations are named.

CONTACT PERSON

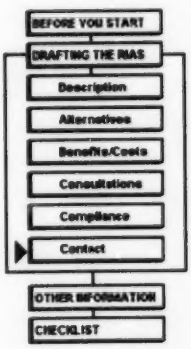
At the end of each RIAS, list the name, address and telephone number of the person (including area codes and fax numbers if applicable) in the department who is most knowledgeable about the proposed regulation and can answer requests for information after the RIAS is published.

Example 22

For further information, contact:

Jane Doe
Road Safety and Motor Vehicle Regulations
Transport Canada
1867 Government Street
Moncton, New Brunswick
(506) 388-1415
FAX (506) 388-2500

Try not to make the address longer than necessary, but make sure it is sufficient to enable people unfamiliar with the government to get through easily.



OTHER INFORMATION

Omnibus regulations

Omnibus regulations are one of several ways to streamline the regulation-making process. Omnibus regulations facilitate the process by grouping housekeeping regulations (those with no policy implications) for processing as a block. Regulatory Affairs at Treasury Board Secretariat prepares the RIAS.

Three types of regulations are targeted:

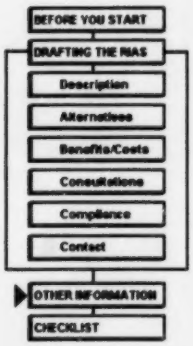
- amendments in response to non-contentious concerns raised by the Standing Joint Committee for the Scrutiny of Regulations;
- strictly housekeeping regulations without policy implications, such as correcting typographical errors, inconsistencies between the English and French versions, and renumbering; and
- spent regulations that should be revoked.

The Supplementary Note to Ministers

The competing needs of your different audiences can sometimes pose a challenge. There are times, for instance, when ministers should be made aware of certain issues that it would be inappropriate to publish. In these following cases, you would advise ministers through a Supplementary Note to Ministers:

- when politically controversial points have arisen in the consultation, but the decision has been made to continue; or
- when cases involve sensitive or confidential information that will assist ministers in making their decision, but which cannot be made public.

A Supplementary Note to Ministers should be titled as such and would usually carry a PROTECTED security classification (in the top right-hand corner). The Supplementary Note will not be published and the words "Not For Publication" should also be included in the top right-hand corner. The Supplementary Note should not be included in or attached to the RIAS but should be submitted on a separate page.



For more information on the Supplementary Note to Ministers, refer to the "Regulatory Process Guide", or call TBS Regulatory Affairs at (613) 952-3459.

Several regulations, one RIAS

If there are several regulations on the same or similar topics (even from different departments), it will often make sense to draft a single RIAS.

A CHECKLIST FOR RIAS WRITERS

Writing Style

- ☐ Are the conclusions that you want your audience to arrive at clear in your mind?
- ☐ Have you addressed the concerns of your audience?
- ☐ Do your arguments lead logically to your conclusions?
- ☐ Have you put what is important first?
- ☐ Are your sentences short and your language clear?
- ☐ Have you used obscure technical language?

Content

Description

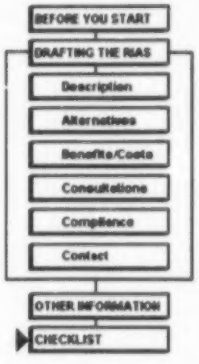
- ☐ Have you defined the problem succinctly?
- ☐ Can your readers quickly establish if and how the regulation will affect them?
- ☐ Have you shown why the action is necessary?
- ☐ Have you described the solution that the regulation or amendment is intended to provide?
- ☐ Have you set the context of the regulation succinctly, or is it long and involved?

Alternatives

- ☐ Have you identified clearly the alternatives to regulation and alternate types or forms of regulation?
- ☐ Do you explain why the alternatives were not selected?

Benefits and Costs

- ☐ Is your analysis proportionate to the significance and impact of the regulation?
- ☐ Are there major impacts requiring a full benefit-cost analysis?



- ☐ Have you assessed which groups or interests will bear the costs of the regulation and which will receive the benefits?
- ☐ Have you incorporated quantitative analysis for the impacts on inflation, employment, operating costs and direct benefits?
- ☐ Have you included costs to industry, the public and the government, including enforcement costs?
- ☐ Have you made a qualitative assessment of impacts that do not lend themselves to detailed quantitative analysis?
- ☐ Have you summarized any possible environmental effects?

Consultation

- ☐ Have you included publication dates in the *Federal Regulatory Plan* and *Canada Gazette*, Part I (if the regulation has been prepublished)?
- ☐ Who was consulted?
- ☐ What consultation mechanisms were used?
- ☐ What were the results of the consultation and how was the regulation changed as a result?
- ☐ Have you identified any groups still opposed to the regulation (if necessary, to ministers in a Supplementary Note)?
- ☐ Have you revised the text to reflect and respond to comments received subsequent to prepublication?

Compliance

- ☐ For new regulations, have you explained the enforcement mechanism and described the penalties for non-compliance?
- ☐ Have you described the means used to detect non-compliance?
- ☐ For amendments to regulations, have you described how the need for enforcement has changed as a result of the amendment?

CONTACT

- ☐ Have you included an address (and phone number) that is complete enough to enable people unfamiliar with the government to get through easily?